

APPENDIX E
DEFENSE LOGISTICS AGENCY IMPLEMENTING INSTRUCTIONS

E-1. Purpose. This appendix prescribes the Defense Logistics Support Command (DLSC) policies and procedures for implementing the Joint Depot Maintenance (JDM) Program publication for DLA depot maintenance and distribution support. This appendix is applicable to DLSC, Defense Distribution Center (DDC), Defense Distribution Depots (DDD), and the Defense Supply Center, Richmond (DSCR).

E-2. Policies.

a. DLSC will support the JDM Program to the full capability of resource availability.

b. DLSC will perform distribution support for the Military Services' maintenance depots as agreed to between DLA and the Services. Distribution support will be reimbursable by the Services, either in accordance with unit cost rates set by the DLA Comptroller and approved by the Office of the Secretary of Defense (OSD), or a negotiated fixed price for support or services that are not covered by the Defense Business Operating Fund (DBOF). To insure that the Services' distribution requirements and resource issues are properly addressed, distribution support for Depot Maintenance Interservice Support Agreement (DMISA) workload must be coordinated through the DDRs. DLSC personnel will participate in DMISA negotiations when requested by the appropriate Military Service. The DDD customer in the DMISA is the maintenance depot, however, and the DLSC focus will be to satisfy the requirements of the maintenance depot.

E-3. Responsibilities.

a. DLSC:

(1) The Associate Executive Director, Materiel Management, Systems, and Engineering (MML) will assign an individual to:

(a) Work with the Service's Maintenance Interservice Support Management Office (MISMO) and Joint Advisory Board (JAB) representatives and groups to provide timely information on DLA operations and procedures.

(b) Serve as the DLA focal point for Joint Depot Maintenance Activities Group (JDMAG) requirements and requests from the Services' depot maintenance community.

(c) Serve as the DLA Depot Maintenance Program Manager (DMPM) for DLA managed depot level repairables and provide staff supervision, policy formulation, and coordination to develop and implement the Agency JDM program.

(2) The Assistant Executive Director, Material Management, Logistics Policy (MMLS) will:

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(a) Provide staff supervision, formulation of policy, procedural direction, and coordination to develop and implement JDM policies within DLA distribution depots.

(b) Monitor the DLA distribution support provided on DMISAs.

(c) Provide DLA Distribution representation on JDM working groups and councils.

(3) The Comptroller (DLA/FO) will establish financial policies and procedures governing DLA support to the JDM program.

b. DLA Field Activities:

(1) The Commander, DSCR will:

(a) Assign an individual to perform the Maintenance Interservice Support Office (MISO) duties of the basic publication, this appendix, and any further instructions from the DLA DMPM. The MISO is the focal point at DSCR for JDM matters with responsibility for implementing the JDM program within DSCR. This responsibility includes identifying depot maintenance interservice (DMI) candidates, submitting the required Joint Logistics Commanders (JLC) Forms 27 and 44 and associated data, and implementing depot source of repair (DSOR) decisions. Initial submissions of JLC forms will be made through the DLA DMPM. Subsequent submissions of JLC forms or data will be made to JDMAG/MA with copies furnished to the DLA DMPM.

(b) Assign individuals as the DLA representatives on the joint technology exchange and the joint performance measurement initiatives.

(2) The Commanders of DDRs will:

(a) Ensure DDDs provide required distribution support to the Services' maintenance depots.

(b) Ensure DLA participation in DMISA negotiation if requested by the appropriate Military Service.

E-4. Procedures.

a. Receipt and Issue Functions.

(1) DDDs will perform the receipt and issue functions as agreed upon between the DDDs and the co-located maintenance depot. Additional functions may be performed, if agreement is reached between the maintenance depot and the appropriate DDR or DDD.

(2) The DDD will receive a count for materiel movements either to or from the DDD. Counts for receipts are made on the basis of each line of materiel received (single national stock

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number (NSN), any quantity), unless the receipt is one of the distinct classes of end items, defined in the Deputy Under Secretary of Defense (Logistics) (DUSD(L)) memorandum, 23 Dec 93, Definitions of Distribution Depot Functions, or most recent OSD guidance. End items are one count per end item. New procurement receipt lines are counted separately as received, i.e., if a contractor makes multiple shipments from a single procurement action, each partial shipment received is counted as one receipt. Counts for issues are made on the basis of each line of materiel or each end item issued to the consignee or to the customer.

b. Additional DLA distribution support.

(1) Additional distribution support will be provided as required by the Services, if within the distribution depot's capability to perform. Requirements for additional support shall be identified by the maintenance depot during coordination of the DMISA requirements between the DDR/DDD and the maintenance depot. Charges for additional support will be reimbursable at the fixed price negotiated between DLA and the maintenance depot in the DMISA negotiations. Additional distribution support will be defined as any function not included in the receipt/issue rate, as defined in DUSD(L) memorandum, 23 Dec 93, or most recent OSD guidance. Examples include packaging, packing, preservation, and marking (PPP&M), and supply support to maintenance.

(2) Packaging - Packaging shall be level "C" at a minimum for items receipted by the DLA distribution depot, whether from the maintenance depot or another source. If items received are in less than level "C", DLA will package to the appropriate level and all packaging costs will be reimbursable to DLA. Issues to maintenance will not incur additional packaging costs, unless the appropriate packaging for that issue is greater than level "C". Any customer directed unpackaging/unpacking (denuding) of materiel for issue to the maintenance activity will be reimbursable to DLA. Reimbursement for additional packaging associated with the DMISA process performed by DLA will be reimbursable at the fixed price negotiated during the DMISA negotiations.

(3) Preservation - All preservation/preservative treatments for materiel received from the maintenance depot should be performed by the maintenance depot. If preservation/ preservative treatments are provided by the distribution depot, additional charges will be assessed.

c. Billing:

(1) Services performed by the DLA distribution depot to support the maintenance depot are reimbursable. Reimbursement will be either in accordance with OSD approved unit cost rates, the negotiated fixed price for additional support not included in the unit cost rate, or for storage of retail stock held for the maintenance depot.

(a) The DLA Management Information System (MIS) is the DoD source system for recording receipt and issue work counts. MIS, in concert with each Service legacy system, uses the owner routing identifier code (RIC) to determine the activity that directed the movement of the materiel. That RIC is subsequently billed by DLA for movement of materiel.

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(b) The distribution depot receives wholesale and retail items. An Inventory Control Point (ICP) item manager is normally the owner for wholesale materiel and reparable items. The maintenance depot is usually the owner for retail and repair-and-return items. DLA will bill the owner RIC for materiel movements of either of these type items.

(2) Wholesale Reparable items - Processing for billing for these items will be through MIS. This will normally include four transactions: (1) Receipt of the item by the distribution depot, (2) issue to the maintenance depot, (3) receipt from depot maintenance by the distribution depot, and (4) issue to the consignee or to the customer. Receipt and issue charges should not be included in the DMISA charges because the billing will be against the owner RIC identified in MIS. Deviations could result in double billing.

(3) Consumable items - These items are issued to the maintenance depot and are incorporated or consumed in the repair process.

(a) Transaction counts for off-base receipt of consumables purchased by the maintenance activity from an ICP should not be included in the DMISA. These counts are billed to the ICP since these costs were included in the standard price of the item.

(b) Counts for on-base issue of retail (maintenance owned) materiel from distribution to the maintenance activity should be included in the DMISA.

(c) In a few instances, unused retail consumable materiel may be returned by depot maintenance to the distribution depot for storage and future use. These movements will be charged to the depot maintenance activity. Whether these charges should be included in the DMISA, however, should be determined by the Services, since they represent a failure to properly forecast the consumable materiel needed for a job, and not work actually performed for the DMISA customer.

(4) Additional DLA distribution support - Additional distribution support is any function not included in the receipt/issue rate, as defined in DUSD(L) memorandum, 23 Dec 93, or most recent OSD guidance.

(a) The Services will provide packing, preservation, packaging, and marking (PPP&M) requirements, specifications, quantities, and other pertinent information to DLA prior to DMISA negotiations so DLA can estimate job costs.

(b) DLA will provide an estimate for the job order. The negotiated fixed price should be included in the DMISA. DLA will bill the maintenance activity the fixed price for services rendered.